Recommendation on Cannabis Excise Tax Local allocation:

a. That 5-7% of the current 37% excise tax rate be distributed directly to the local municipality where the sale takes place. We recommend this to replace the current fixed fund and distribution model that exists in RCW 69.50.540

2. Recommendation on Producer Licenses

- a. That at least 200 new producer licenses be created and allocated to social equity licensees between now and 2029
- i. As new paths to market are opened the economic space for these licenses to be successful will increase as should the number of licenses being issued.
- ii. In the allocation of these licenses over time, agencies should consider market conditions for existing producers in order to ensure that these licenses are being allocated at a time when they are able to be successful. The goal of this recommendation is not to directly tie new licenses to certain metrics but to be cognizant of how difficult being a successful grower is right now. The goal here should be to issue these licenses at a time where they can be successful.

3. The task force should recommend to the legislature that at minimum 300 additional social equity retail licenses should be created and issued with multiple licensing windows between in 2022 and 2029

- 4. All social equity retail licenses and current title certificate holders who fit the social equity definition can be in any municipality that allows for the siting of additional retail licenses.
- a. This would not preempt local restrictions but simply give flexibility to the licensee to locate where they are able, and an open jurisdiction allows it.

5. Social equity goal: 50% of total licenses should be owned by social equity applicants.